

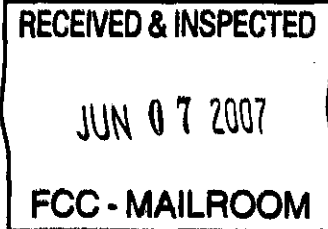
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Congressman Vernon J. Ehlers
U.S. House of Representatives, 3rd District, Michigan

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FAX TRANSMISSION COVER SHEET

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Congress of the United States of America
House of Representatives

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Bernie J. Ehlers

June 7, 2007

Michigan

The Honorable Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street SW
Washington, D.C. 20554-0001

RE: Request for Review, CC Docket No. 02-6

Dear Secretary Dortch,

I am writing you regarding the denial of E-rate funding to the Grand Rapids Public Schools. I respectfully request that you review the Schools and Libraries Division (SLD) Administrator's decision repealing funding for year 2006-2007 (dated April 10, 2007).

The Grand Rapids Public Schools plan to appeal the SLD Administrator's decision directly to the Federal Communications Commission. I am a strong supporter of efforts to combat fraud and abuse within the E-rate program. However, it is my understanding that the Grand Rapids Public Schools' application was denied due to a clerical error and confusion regarding the complex application requirements, including the implications of the late start date of the contract with the service provider, and not due to any fraudulent purpose or lack of qualification for the E-rate program.

Grand Rapids Public Schools represent a very important area in Western Michigan. The Grand Rapids Public Schools serve many low-income children in schools that are in dire need of the important discounts that the E-rate program provides, especially given the harsh economic conditions in Michigan. As a scientist and founder of the House Science, Technology, Engineering, and Math (STEM) Education Caucus, I know that access to a technology-rich educational environment is important to prepare these students for the jobs of the future.

Again, I respectfully request that you give the Grand Rapids Public Schools' appeal due consideration. If you have any questions, you may contact Rachel Post of my staff at 202-225-3831.



Ms. Marlene H. Dortch

June 7, 2007

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Thank you for considering my request. With best wishes, I am

Sincerely,


Vernon J. Ehlers
Member of Congress

VJE:rp

Cc: Mr. Rex James Thelen, Grand Rapids Public Schools

Grand Rapids Public Schools

Billed Entity Number (BEN): 131572

Form 471 Application Number: 524297 CC Docket No. 02-6

Funding Request: 1463942



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2006-2007

April 10, 2007

Rex James Thelen
Grand Rapids Public Schools
1331 Franklin Street SE
Grand Rapids, MI 49506

Re: Applicant Name: GRAND RAPIDS PUBLIC SCHOOLS
Billed Entity Number: 131572
Form 471 Application Number: 524297
Funding Request Number(s): 1463942
Your Correspondence Dated: February 26, 2007

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2006 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1463942
Decision on Appeal: Denied
Explanation:

- Upon thorough review of the appeal letter and the relevant documentation, USAC has determined that the explanation given of the time lapse between the posting date of the establishing Form 470 and the Contract Award Date (CAD) failed to assure USAC that Grand Rapids Public Schools conducted a fair and competitive bidding process and chose the most cost-effective offering with price being the primary factor. During Program Integrity Assurance (PIA) review, PIA determined that the originally requested CAD on the Form 471 for this funding request was January 31, 2003, which was prior to the Allowable Contract Date (ACD) of February 7, 2006 of the originally cited Form 470 application number 115800000574608. To resolve this competitive bidding violation, PIA requested verification of the CAD and the establishing Form 470 number. The school subsequently advised that the establishing Form 470 for this funding request was

Form 470 application number 487250000393390, with an ACD of January 3, 2002, and submitted a copy of contract with signature dates of June 23, 2003 (school) and July 10, 2003 (service provider). PIA sent the school questions asking for an explanation of why the contract was signed more than 18-months after the ACD. Your explanation of the time lapse between the posting date of the referenced Form 470 and the contract award date (CAD) failed to assure SLD that you conducted a fair and competitive bidding process and chose the most cost-effective offering with price being the primary factor. Consequently, the appeal is denied.

- The funding request you submitted cites July 10, 2003 as the date you entered into a contract with the service provider. The Allowable Contract Date associated with the establishing Form 470 application number 487250000393390 on this funding request was January 3, 2002. Due to the time lapse between the allowable contract date and the contract award date, and that the type of services you requested must be competitively bid in each funding year, you failed to comply with the FCC's competitive bidding requirements. Consequently, USAC denies your appeal.
- Your explanation of the time lapse between the allowable contract date of the referenced FCC Form 470 and the contract award date failed to assure USAC that you conducted a fair and competitive bidding process and chose the most cost-effective offering with price being the primary factor. FCC Rules require that, except under limited circumstances, applicants must file with USAC, for posting to its website, a new FCC Form 470 requesting services and that applicants carefully consider all bids received before selecting a vendor, entering into an agreement or signing a contract, and signing and submitting a Form 471. 47 C.F.R. secs. 54.504(a) - (c), 54.511(a) and (c). These competitive bidding requirements help ensure that applicants receive the lowest pre-discount price from vendors. See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd 10095, 10098, FCC 97-246 para. 9 (rel. Jul. 10, 1997). This posting requirement applies to requests for discounts for month-to-month or tariff services as well as contracted services. 47 C.F.R. sec. 54.504 (b). Pursuant to the Commission's rules, voluntary contract extensions are not exempt from the competitive bidding requirement. 47 C.F.R. sec. 54.511 (d)(1).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division

Universal Service Administrative Company